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June 7, 2002

The Honorable William M. Thomas
Chairman
Committee on Ways and Means
United States House of Representatives
2208 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Thomas:

On behalf of the National Association for Home Care (NAHC), the nation's largest organization representing home care providers and the patients they serve, I want to extend my most sincere appreciation and support for your legislation which eliminates the mandatory 15 percent cut in home care reimbursement and extends the 10 percent rural add-on. Profound changes in the home health program over the last five years have had a destabilizing effect upon our nation's network of home health agencies. Enactment of these provisions will fulfill some of the home care community's highest legislative priorities and will go a long way toward restoring and preserving the Medicare home health benefit. We also would like to recognize your efforts to explore more flexible means of providing home health services by authorizing a demonstration project under which home health services could be provided at adult day facilities.

NAHC is also appreciative that you have seen fit to include in your legislative package provisions from the Medicare Regulatory and Contracting Reform Act of 2001, which passed the House last year. The provisions contained within this legislation will allow providers to correct minor errors and omissions on claims without having to appeal the claims, postpone recovery of overpayments through the first level of appeal, allow hospice providers to contract with other hospices for core services under certain circumstances, prohibit imposition of sanctions and recovery of overpayments if a provider incurs them by following written erroneous guidance from Medicare's contractors, and provide a five-year repayment plan in extreme hardship cases. These provisions will make a major contribution toward decreasing the regulatory burdens of Medicare home care and hospice providers.

Another onerous regulatory burden is the Outcome and Assessment Information Set (OASIS). While there is industry-wide support for an outcome-based assessment process, our members have consistently requested that the OASIS requirements be revised and simplified. Moreover, the ongoing costs associated with OASIS as well as the paperwork burden and its negative effect upon agencies' ability to recruit and retain nurses are further reasons for amending




the OASIS data set. Your proposal to limit collection and reporting of OASIS data to Medicare and Medicaid patients indicates your clear understanding of the need to streamline these requirements. We would urge that you go one step further and limit collection to Medicare patients only until such time as the Medicaid programs can provide adequate reimbursement to cover agencies' costs. Further, your legislation directs the Secretary of Health and Human Services to establish an OASIS technical panel. We are hopeful that a comprehensive review by this panel will result in a significant reduction in unnecessary burdens currently associated with OASIS requirements.

Mr. Chairman, the home health community and its patients are undergoing major adjustments that began in 1997 but have persisted under the new prospective payment system (PPS). We continue to be concerned about proposals that would impose any beneficiary copayment and that would effect further reductions in annual market basket inflation updates. It is our hope that, as your legislation progresses through the House and you enter into discussions with the Senate, we can continue to work with you to address these concerns.

Once again we deeply appreciate your concern for home health patients and those who care for them. Enactment of your legislation will make a major contribution toward bringing stability to the Medicare home health program and strengthening the home care infrastructure. We look forward to working with you and your staff to secure enactment of your legislation. With best regards.

Sincerely,



Val. J. Halamandaris
President

VJH/ysa

cc: John McManus
Deborah Williams
Susan Christensen